

AMENDED IN SENATE APRIL 12, 2005

**SENATE BILL**

**No. 1024**

**Introduced by Senators Perata and Torlakson**

February 22, 2005

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An act to add Chapter 12.49 (commencing with Section 8879.20) to Division 1 of Title 2 of the Government Code, relating to ~~seismic~~ *public works and improvements* by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1024, as amended, Perata. Seismic improvements: bond measure.

(1) Existing law sets forth a funding plan for the seismic retrofit or replacement of certain state-owned toll bridges by the Department of Transportation. Existing law, pursuant to Proposition 192 of 1996, provides \$2 billion in voter-approved general obligation bond funds for state highway and toll bridge seismic work. ~~Existing law imposes certain seismic safety requirements on hospitals.~~

This bill would enact the ~~Essential Facilities Seismic Retrofit Safe Facilities, Improved Mobility, and Clean Air~~ Bond Act of 2005 to authorize ~~an unspecified amount~~ \$7,688,000,000 in state general obligation bonds for *specified purposes, including* the seismic retrofit of ~~essential facilities throughout the state, including~~ toll bridges and ~~hospitals, levee improvements, restoration of Proposition 42 transportation funds, port infrastructure and security projects, trade corridors of significance, emissions reduction projects, environmental enhancement projects, and transportation needs in cities, counties, and cities and counties that meet certain requirements relative to~~

*provisions of housing needs in their communities*, subject to voter approval. ~~Of the total amount of the bond measure, \$3.22 billion would be designated for seismic work on toll bridges and an unspecified amount would be designated for seismic work on hospitals.~~

This bill would require the Secretary of State to submit the proposed bond measure to the voters at an unspecified election.

This bill would require the Department of Transportation to report on its expenditure of toll bridge funds and would authorize the department to use bond funds to reimburse other state transportation accounts for costs associated with a rebid of the contract to construct the replacement east span of the San Francisco-Oakland Bay Bridge. The bill would enact other related provisions.

This bill would declare that it is to take effect immediately as an urgency measure.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 12.49 (commencing with Section 8879.20) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 12.49. ~~ESSENTIAL FACILITIES SEISMIC RETROFIT~~  
~~BOND ACT~~ *THE SAFE FACILITIES, IMPROVED MOBILITY, AND*  
*CLEAN AIR BOND ACT OF 2005*

Article 1. General Provisions

8879.20. (a) This chapter shall be known as the ~~Essential Facilities Seismic Retrofit~~ *Safe Facilities, Improved Mobility, and Clean Air* Bond Act of 2005.

(b) This chapter shall only become operative upon adoption by the voters at the November \_\_\_\_ election.

8879.21. (a) The Legislature finds and declares that the completion of seismic safety retrofit work on state-owned toll bridges ~~and on non-profit, county, and rural hospitals~~ is essential to the welfare and economy of the state.

(b) ~~The purpose of this bond act is to pay for the completion of the state Toll Bridge Seismic Safety Retrofit Program (TBSSRP) as expeditiously as possible and to provide state assistance to non-profit, county, and rural hospitals so that they can make seismic safety improvement to hospital facilities consistent with the requirements under the Alfred E. Alquist Hospital Seismic Safety Act of 1973 (Sections 130000 to 130070, inclusive, of the Health and Safety Code) as amended by SB 1953 (Chapter 740 of the Statutes of 1994).~~

(c) The Department of Transportation notified the Legislature on August 16, 2004, that the costs to complete the TBSSRP exceeded the authorized budget contained in Section 188.5 of the Streets and Highways Code by three billion two hundred twenty million dollars (\$3,220,000,000).

(d) The expeditious completion of the TBSSRP is essential to the welfare and economy of the state and to the safety of the nearly 300,000 daily motorists who use the state-owned toll bridges requiring seismic retrofit work.

(e) The department shall take all actions necessary to proceed as expeditiously as possible to seismically retrofit the Richmond-San Rafael Bridge and to replace the eastern span of the San Francisco-Oakland Bay Bridge with a new, seismically safe structure, as described in paragraph (9) of subdivision (b) of Section 188.5 of the Streets and Highways Code.

(f) It was the original intent of the Legislature to fund the TBSSRP with the proceeds of bonds through the enactment of SB 146 (Chapter 310 of the Statutes of 1995), which placed Proposition 192 on the ballot in March, 1996. Proposition 192 was overwhelmingly approved by the voters on March 26, 1996, but provided only a small fraction of the increased amount of funding required to complete the TBSSRP.

(g) It is the intent of the Legislature to fund the remaining three billion two hundred twenty million dollars (\$3,220,000,000) needed to complete the TBSSRP from the proceeds of bonds made available by this chapter upon approval by the voters at the November \_\_\_\_\_ election.

(h) The department shall report within 30 days of the end of each month to the Joint Legislative Budget Committee, the committees in each house of the Legislature that consider transportation issues, the Department of Finance, the California

1 Transportation Commission, and the Bay Area Toll Authority  
2 (BATA) regarding the department's progress toward completion  
3 of the TBSSRP and the use of funds made available to it by this  
4 act.

5 (i) The Legislature intends, with the adoption of this chapter,  
6 to meet the state's obligation and duty to complete the TBSSRP  
7 without forcing the unprogramming of other transportation  
8 projects or the reallocation of transportation funds from other  
9 high-priority projects throughout the state.

10 (j) Proceeds made available under this act may be used by the  
11 department to reimburse state transportation accounts for funds  
12 utilized by the department to rebid the contract to construct the  
13 main span of the San Francisco-Oakland Bay Bridge consistent  
14 with paragraph (9) of subdivision (b) of Section 188.5 Streets and  
15 Highways Code.

16 (k) With respect to the completion of the TBSSRP, bond  
17 monies from this act in the amount of three billion two hundred  
18 twenty million dollars (\$3,220,000,000) are to be used  
19 exclusively to pay for the costs that exceed those enumerated in  
20 Section 188.5 of the Streets and Highways Code to complete the  
21 retrofit of the Richmond-San Rafael Bridge and the replacement  
22 of the eastern span of the San Francisco-Oakland Bay Bridge as  
23 described in paragraph (9) of subdivision (b) of that section.

24 ~~(l) With respect to seismic retrofit of non-profit, county and~~  
25 ~~rural hospitals, bond monies from this act in the amount of \_\_\_\_\_~~  
26 ~~(\$ \_\_\_\_\_) shall be used to provide assistance to nonprofit, county,~~  
27 ~~and rural hospitals in order to allow these hospitals to meet their~~  
28 ~~seismic safety requirements in current law.~~

29 *(l) The amount dedicated to the TBSSRP by this act amounts*  
30 *to 47 percent of the cost overruns identified by the Department of*  
31 *Transportation for completion of the TBSSRP.*

32 *(m) Another purpose of this bond act is to provide funding for*  
33 *levee improvement and management. According to the*  
34 *Department of Water Resources, funding for those purposes have*  
35 *been reduced in recent years, and, as a result, it has been*  
36 *difficult to perform the necessary maintenance on the state's*  
37 *1,600 miles of project levees. The department estimates that*  
38 *capital improvements costing two billion dollars*  
39 *(\$2,000,000,000) over 10 to 15 years could provide a reliable*  
40 *flood control system. It is in the interest of public health and*

1 *safety for the state to invest in the structural integrity of its*  
 2 *levees, which protect more than 500,000 people, two million*  
 3 *acres of cultivated land, and 200,000 structures with an*  
 4 *estimated value of forty-seven billion dollars (\$47,000,000,000).*

5 8879.22. As used in this chapter, the following terms have the  
 6 following meanings:

7 (a) “Board” means any department receiving an allocation  
 8 from the Department of Finance.

9 (b) “Committee” means the ~~Essential Facilities Seismic~~  
 10 ~~Retrofit Safe Facilities, Improved Mobility, and Clean Air~~  
 11 Finance Committee created pursuant to Section 8879.27.

12 (c) “Fund” means the ~~Essential Facilities Seismic Retrofit Safe~~  
 13 ~~Facilities, Improved Mobility, and Clean Air~~ Bond Fund of 2005  
 14 created pursuant to Section 8879.23.

15  
 16 Article 2. ~~Essential Facilities Seismic Retrofit Safe Facilities,~~  
 17 ~~Improved Mobility, and Clean Air~~ Bond Fund and Program  
 18

19 8879.23. The ~~Essential Facilities Seismic Retrofit Safe~~  
 20 ~~Facilities, Improved Mobility, and Clean Air~~ Bond Fund of 2005  
 21 is hereby created in the State Treasury. The proceeds of bonds  
 22 issued and sold pursuant to this chapter for the purposes specified  
 23 in this chapter are hereby appropriated, without regard to fiscal  
 24 years, to the Department of Finance for allocation in the  
 25 following manner:

26 (a) ~~Three billion two hundred twenty million dollars~~  
 27 ~~(\$3,220,000,000) for the seismic retrofit of state-owned~~  
 28 ~~highways and bridges, including toll bridges, throughout the~~  
 29 ~~state. Funds allocated by the California Transportation~~  
 30 ~~Commission for this purpose shall be deposited in the 2005~~  
 31 ~~Seismic Retrofit Account, which is hereby created in the fund,~~  
 32 ~~and, upon deposit, are continuously appropriated to the~~  
 33 ~~Department of Transportation. Funds may be used to match any~~  
 34 ~~available federal funds for transportation purposes or may be~~  
 35 ~~used without matching federal funds to reconstruct, replace, or~~  
 36 ~~retrofit state-owned highways and bridges, including toll bridges.~~

37 (b) ~~\_\_\_\_\_ dollars (\$\_\_\_\_) to provide state assistance to~~  
 38 ~~nonprofit, county, and rural hospitals so that they can make~~  
 39 ~~seismic safety improvement to hospital facilities consistent with~~  
 40 ~~the requirements under the Alfred E. Alquist Hospital Seismic~~

~~Safety Act of 1973 (Sections 130000 through 130070 of the Health and Safety Code) as amended by SB 1953 (Chapter 740 of the Statutes of 1994).~~

*(a) Two billion, three hundred sixty-three million dollars (\$2,363,000,000) for safe facilities, to be deposited in the Safe Facilities Account, which is hereby created in the fund. The money in the account shall be available as follows:*

*(1) One billion three hundred sixty-three million dollars (\$1,363,000,000) for the completion of the state's Toll Bridge Seismic Safety Retrofit Program (TBSSRP), pursuant to Section 188.5 of the Streets and Highways Code, which includes the replacement of the San Francisco-Oakland Bay Bridge. Upon deposit, the money in the account shall be continuously appropriated to the Department of Transportation for those purposes.*

*(2) One billion dollars (\$1,000,000,000) shall be available to the Department of Water Resources for the inspection, evaluation, improvement, and strengthening of the state's federally designated project levees. The funds shall be made available for levee improvements on a matching basis, with the share provided from these bond revenues to pay for no more than 75 percent of a project's costs, and with the remaining matching funds to be provided in the form of local or regional assessment fee revenues, other local funds, or any federal funds available for those purposes.*

*(b) Two billion three hundred million dollars (\$2,300,000,000) for restoration of Proposition 42 (Article XIX B) revenues, to be deposited in the Proposition 42 Repayment Account, which is hereby created in the fund. Money deposited in the account shall be used by the Controller, in lieu of monies from the General Fund, to meet the transfer obligations to the Transportation Deferred Investment Fund specified in Sections 7105 and 7106 of the Revenue and Taxation Code as a result of suspending the transfer of monies from the General Fund to the Transportation Investment Fund pursuant to Sections 14557.1 and 14558 of the Government Code with respect to the 2003-04 and 2004-05 fiscal years. Funds deposited in the Transportation Deferred Investment Fund shall be allocated as provided in Sections 7105 and 7106 of the Revenue and Taxation Fund as those sections read on January 1, 2005.*

(c) Two billion five hundred million dollars (\$2,500,000,000) to be deposited in the California Ports Infrastructure, Security, and Air Quality Improvement Account, which is hereby created in the fund. The money in the account shall be available as follows:

(1) Two billion dollars (\$2,000,000,000) shall be transferred to the Global Gateways Improvement Fund, which is hereby created. The money in this fund shall be available for allocation by the California Transportation Commission for infrastructure improvements along federally-designated "Trade Corridors of National Significance" in this state or along other corridors within this state that have a high volume of freight movement, as determined by the commission. Applicants for these funds shall provide matching funds from other revenues, in a percentage amount to be determined by the commission. In determining projects eligible for funding, the commission shall consult the Global Gateways Development Program report prepared by the Business, Transportation and Housing Agency pursuant to SCR 96 (Resolution Chapter 158, Statutes of 2000). Eligible projects for these funds shall include all of the following:

(A) Highway capacity improvements and operational improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's seaports and airports, and to relieve traffic congestion along major trade or goods movement corridors.

(B) Freight rail system improvements to enhance the ability to move goods from seaports and airports to warehousing and distribution centers throughout California, including projects that separate rail lines from highway traffic and other projects that improve the efficiency and capacity of the rail freight system.

(C) Projects to enhance the capacity and efficiency of ports.

(2) Four hundred million dollars (\$400,000,000) shall be available for transfer to the Carl Moyer Memorial Air Quality Standards Attainment Trust Fund, created pursuant to Section 44299 of the Health and Safety Code. Funds under this paragraph shall be available for allocation by the State Air Resources Board to reduce covered emissions from a covered source, as those terms are defined in paragraphs (5) and (7) of subdivision (a) of Section 44275 of the Health and Safety Code,

1 *relative to sources used primarily in the operations of ports in*  
2 *this state.*

3 *(3) One hundred million dollars (\$100,000,000) shall be*  
4 *available to the California Infrastructure and Economic*  
5 *Development Bank to be allocated, as grants, for port and*  
6 *harbor security improvements. The money made available under*  
7 *this paragraph shall be continuously appropriated to the bank*  
8 *without regard to fiscal years. Eligible applicants shall be*  
9 *publicly owned ports and harbors, which may submit*  
10 *applications for the following types of projects:*

11 *(A) Video surveillance equipment.*

12 *(B) Explosives detection technology, including, but not limited*  
13 *to, X-ray devices.*

14 *(C) Cargo scanners.*

15 *(D) Radiation monitors.*

16 *(E) Thermal protective equipment.*

17 *(F) Site identification instruments capable of providing a*  
18 *fingerprint for a broad inventory of chemical agents.*

19 *(G) Other devices capable of detecting weapons of mass*  
20 *destruction using chemical, biological, or other similar*  
21 *substances.*

22 *(H) Other security equipment to assist in any of the following:*

23 *(i) Screening of incoming vessels and incoming or outbound*  
24 *cargo.*

25 *(ii) Monitoring the physical perimeters of harbors and ports.*

26 *(iii) Providing or augmenting onsite emergency response*  
27 *capability.*

28 *(I) Overweight cargo detection equipment, including, but not*  
29 *limited to, intermodal crane scales and truck weight scales.*

30 *(d) One hundred million dollars (\$100,000,000) to be*  
31 *deposited in the Transportation Project Enhancement and*  
32 *Mitigation Account, which is hereby created in the fund. The*  
33 *money in the account shall be available for transfer to the*  
34 *Environmental Enhancement and Mitigation Program Fund*  
35 *created pursuant to Section 164.56 of the Streets and Highways*  
36 *Code, for allocation to projects pursuant to that section.*

37 *(e) (1) Four hundred twenty-five million dollars*  
38 *(\$425,000,000) to be deposited in the Affordable Housing*  
39 *Incentive Program Account, which is hereby created in the fund.*  
40 *Funds shall be available, upon appropriation, to the California*

1 *Transportation Commission for the purpose of providing*  
 2 *transportation funding grants, upon application, to cities,*  
 3 *counties, and cities and counties that meet a significant portion*  
 4 *of their overall and affordable housing needs. In order to be*  
 5 *eligible for funds pursuant to this subdivision, a city, county, or*  
 6 *city and county shall meet all of the following criteria:*

7 *(A) The city, county, or city and county has adopted a revised*  
 8 *housing element in accordance with Section 65588 that the*  
 9 *Department of Housing and Community Development has*  
 10 *determined pursuant to Section 65585 to be in substantial*  
 11 *compliance with the requirements of Article 10.6 of Chapter 3 of*  
 12 *Division 1 of Title 7 (commencing with Section 65580). For the*  
 13 *purposes of this paragraph, an adopted housing element that has*  
 14 *been self-certified pursuant to Section 65585.1 shall be deemed*  
 15 *to have been approved by the department, unless a court finds*  
 16 *that the jurisdiction's housing element does not substantially*  
 17 *comply with that article.*

18 *(B) The city, county, or city and county has met, as determined*  
 19 *by the Department of Housing and Community Development in*  
 20 *accordance with the forms and definitions determined by the*  
 21 *department pursuant to Section 65400, at least percent of its*  
 22 *annualized overall housing need during the preceding year or*  
 23 *percent of its three-year overall housing need over the preceding*  
 24 *three years, as determined pursuant to Section 65584.*

25 *(C) The city, county, or city and county has met, as determined*  
 26 *by the Department of Housing and Community Development in*  
 27 *accordance with the forms and definitions determined by the*  
 28 *department pursuant to Section 65400, at least percent of its*  
 29 *annualized housing need for each of the very low-, low-, and*  
 30 *moderate-income categories during the preceding year or*  
 31 *percent of its three-year housing need in each of the very low-,*  
 32 *low-, and moderate-income categories over the preceding three*  
 33 *years, as determined pursuant to Section 65584.*

34 *(2) The Department of Housing and Community Development*  
 35 *shall report annually to the California Transportation*  
 36 *Commission a list of cities, counties, and city and counties that*  
 37 *have met the requirements of paragraph (1).*

38 *(3) The California Transportation Commission shall award*  
 39 *funds available under this section over a five-year period.*

1 (4) *Funds awarded pursuant to this section shall be used for*  
2 *improvements to neighborhood streets and roads. Improvements,*  
3 *as used in this paragraph, mean those activities described in*  
4 *subdivision (e) of Section 7104 of the Revenue and Taxation*  
5 *Code.*

6 8879.24. (a) The Department of Transportation shall only use  
7 funds specified in subdivision (a) of Section 8879.23 for seismic  
8 retrofit of state-owned toll bridges and bridges in augmentation  
9 of the funds identified in Section 188.5 of the Streets and  
10 Highways Code.

11 (b) The Director of Finance shall provide written notification  
12 to the Chair of the Joint Legislative Budget Committee of the  
13 date when the proceeds of the ~~Essential Facilities Seismic~~  
14 ~~Retrofit Bond Act of 2005~~ *Safe Transportation Facilities*  
15 *Account of the fund that are available for purposes of paragraph*  
16 *(1) of subdivision (a) of Section 8879.23* have been fully  
17 expended for the purposes specified in subdivision (a).

18  
19 Article 3. Fiscal Provisions  
20

21 8879.25. Bonds in the total amount of \_\_\_\_\_ dollars  
22 (\$\_\_\_\_\_), exclusive of refunding bonds, or so much thereof as  
23 is necessary, are hereby authorized to be issued and sold for  
24 carrying out the purposes expressed in this chapter and to  
25 reimburse the General Obligation Bond Expense Revolving Fund  
26 pursuant to Section 16724.5. All bonds herein authorized which  
27 have been duly sold and delivered as provided herein shall  
28 constitute valid and legally binding general obligations of the  
29 state, and the full faith and credit of the state is hereby pledged  
30 for the punctual payment of both principal and interest thereof.

31 8879.26. The bonds authorized by this chapter shall be  
32 prepared, executed, issued, sold, paid, and redeemed as provided  
33 in the State General Obligation Bond Law (Chapter 4  
34 (commencing with Section 16720) of Part 3 of Division 4),  
35 except Section 16727, and all of the other provisions of that law  
36 as amended from time to time apply to the bonds and to this  
37 chapter and are hereby incorporated in this chapter as though set  
38 forth in full in this chapter.

39 8879.27. (a) Solely for the purpose of authorizing the  
40 issuance and sale, pursuant to the State General Obligation Bond

1 Law, of the bonds authorized by this chapter, the ~~Essential~~  
2 ~~Facilities Seismic Retrofit~~ *Safe Facilities, Improved Mobility,*  
3 *and Clean Air* Finance Committee is hereby created. For the  
4 purposes of this chapter, the Essential Facilities Seismic Retrofit  
5 Finance Committee is “the committee” as that term is used in the  
6 State General Obligation Bond Law. The committee consists of  
7 the Treasurer, the Controller, the Director of Finance, and the  
8 Secretary of the Business, Transportation and Housing Agency,  
9 or a designated representative of each of those officials. The  
10 Treasurer shall serve as the chairperson of the committee. A  
11 majority of the committee may act for the committee.

12 (b) The committee may adopt guidelines establishing  
13 requirements for administration of its financing programs to the  
14 extent necessary to protect the validity of, and tax exemption for,  
15 interest on the bonds. The guidelines shall not constitute rules,  
16 regulations, orders, or standards of general application.

17 (c) For the purposes of the State General Obligation Bond  
18 Law, any department receiving an allocation from the  
19 Department of Finance is designated to be the “board.”

20 8879.28. Upon request of the board stating that funds are  
21 needed for ~~toll bridge or hospital seismic retrofit purposes~~  
22 *purposes of this chapter*, the committee shall determine whether  
23 or not it is necessary or desirable to issue bonds authorized  
24 pursuant to this chapter in order to carry out the actions specified  
25 in Section 8879.23, and, if so, the amount of bonds to be issued  
26 and sold. Successive issues of bonds may be authorized and sold  
27 to carry out those actions progressively, and be sold at any one  
28 time. Bonds may bear interest subject to federal income tax.

29 8879.29. There shall be collected annually, in the same  
30 manner and at the same time as other state revenue is collected, a  
31 sum of money in addition to the ordinary revenues of the state,  
32 sufficient to pay the principal of, and interest on, the bonds as  
33 provided herein, and all officers required by law to perform any  
34 duty in regard to the collections of state revenues shall collect  
35 that additional sum.

36 8879.30. Notwithstanding Section 13340, there is hereby  
37 appropriated from the General Fund in the State Treasury, for the  
38 purposes of this chapter, an amount that will equal the total of the  
39 following:

1 (a) The sum annually necessary to pay the principal of, and  
2 interest on, bonds issued and sold pursuant to this chapter, as the  
3 principal and interest become due and payable.

4 (b) The sum which is necessary to carry out Section 8879.32,  
5 appropriated without regard to fiscal years.

6 8879.31. The board may request the Pooled Money  
7 Investment Board to make a loan from the Pooled Money  
8 Investment Account, in accordance with Section 16312, for  
9 purposes of this chapter. The amount of the request shall not  
10 exceed the amount of the unsold bonds which the committee has,  
11 by resolution, authorized to be sold for the purpose of this  
12 chapter, less any amount withdrawn pursuant to Section 8879.32.  
13 The board shall execute any documents as required by the Pooled  
14 Money Investment Board to obtain and repay the loan. Any  
15 amount loaned shall be deposited in the fund to be allocated in  
16 accordance with this chapter.

17 8879.32. For the purpose of carrying out this chapter, the  
18 Director of Finance may, by executive order, authorize the  
19 withdrawal from the General Fund of any amount or amounts not  
20 to exceed the amount of the unsold bonds which the committee  
21 has, by resolution, authorized to be sold for the purpose of  
22 carrying out this chapter. Any amounts withdrawn shall be  
23 deposited in the ~~Essential Facilities Seismic Retrofit Safe~~  
24 *Facilities, Improved Mobility, and Clean Air* Bond Fund of 2005.  
25 Any money made available under this section shall be returned to  
26 the General Fund, plus the interest that the amounts would have  
27 earned in the Pooled Money Investment Account, from money  
28 received from the sale of bonds which would otherwise be  
29 deposited in that fund.

30 8879.33. The bonds may be refunded in accordance with  
31 Article 6 (commencing with Section 16780) of the State General  
32 Obligation Bond Law. Approval by the electors of this act shall  
33 constitute approval of any refunding bonds issued pursuant to the  
34 State General Obligation Bond Law.

35 8879.34. Notwithstanding anything in the State General  
36 Obligation Bond Law, the maximum maturity of any bonds  
37 authorized by this chapter shall not exceed 30 years from the date  
38 of each respective series. The maturity of each series shall be  
39 calculated from the date of each series.

8879.35. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

8879.36. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

SEC. 2. Section 1 of this act shall become operative upon adoption by the voters of the ~~Essential Facilities Seismic Retrofit~~ *Safe Facilities, Improved Mobility, and Clean Air* Bond Act of 2005, as set forth in Section 1 of this act.

SEC. 3. (a) Notwithstanding Sections 9040, 9043, 9044, 9061, and 9094 of the Elections Code, or any other provision of law, the Secretary of State shall submit Section 1 of this act to the voters at the November election.

(b) The Secretary of State shall ensure the placement of Section 1 of this act on the November election ballot, in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 9094 of the Elections Code, the information specified in Section 9084 of that code regarding the bond act contained in Section 1 of this act.

SEC. 4. Notwithstanding any other provision of law, all ballots shall have printed thereon and in a square thereof, the words: “~~Essential Facilities Seismic Retrofit~~ *Safe Facilities, Improved Mobility, and Clean Air* Bond Act of 2005,” and in the same square under those words, the following in 8-point type: “This act provides for a bond issue of \_\_\_\_\_ *seven billion six*

1 *hundred eighty-eight million dollars* (~~\$~~       ) (*\$7,688,000,000*) to  
2 provide funds for an essential facilities seismic retrofit program.”  
3 Opposite the square, there shall be left spaces in which the voters  
4 may place a cross in the manner required by law to indicate  
5 whether they vote for or against the act.

6 Where the voting in the election is done by means of voting  
7 machines used pursuant to law in the manner that carries out the  
8 intent of this section, the use of the voting machines and the  
9 expression of the voters’ choice by means thereof are in  
10 compliance with this section.

11 SEC. 5. This act is an urgency statute necessary for the  
12 immediate preservation of the public peace, health, or safety  
13 within the meaning of Article IV of the Constitution and shall go  
14 into immediate effect. The facts constituting the necessity are:

15 In order for this act to be submitted to voters at the earliest  
16 possible time, it is necessary for this act to take effect  
17 immediately.

18  
19  
20 CORRECTIONS:           

21 Text-Page 11.  
22